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BEFORE THE DEPARTMENT OF TRANSPORTATION WASHINGTON, D.C.

DEPT. OF TRANSPORTATION

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Joint Application of

ALITALIA-LINEE AEREE ITALIANE-S.p.A and KLM ROYAL DUTCH AIRLINES and NORTHWEST AIRLINES, INC.

for approval of and antitrust immunity for agreements pursuant to 49 U.S.C. § 41308 and 41309

Docket OST 99-5674 - 8

MOTION FOR LEAVE TO FILE AND REPLY OF TRANS WORLD AIRLINES, INC.

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BEFORE THE DEPARTMENT OF TRANSPORTATION WASHINGTON, D.C. June 14, 1999

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By a Petition for Reconsideration, dated May 25, 1999, TWA requested that Order 99-5-10 be amended to request additional information from the applicants with respect to the impact of the alliance and the grant of antitrust immunity upon competition between Continental, over which Northwest has control, and Alitalia, which code shares with Continental and which would have, if approved, an immunized alliance with Northwest. On June 4, 1999, Continental answered in opposition to TWA's Petition for Reconsideration. TWA hereby request leave to file this Reply as an otherwise unauthorized document for the limited purpose of calling the Department's attention to a statement by Alitalia made on Friday, June 11, 1999. This pleading

TWA Reply Page 2

should be accepted because it will assist the Department in its consideration of this matter, and

will not delay the proceeding.

According to a Reuters article, Dominico Cempella, Managing Director of Alitalia told to

a shareholders meeting that "we are studying how to introduce Continental, with whom Alitalia

has a code-sharing agreement, into this three-way alliance and transform its into an even more

ambitious accord." A copy of the article is attached.

The Alitalia statement obviously substantiates TWA's concern about the role of

Continental in the alliance, and the impact of the alliance on competition in the U.S. - Italy

market.

WHEREFORE, TWA respectfully requests that this Reply be accepted by the

Department as an otherwise unauthorized document, and that the Department expand the scope

of Order 99-5-10 as requested by TWA in its Petition for Reconsideration.

Respectfully submitted,

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To print this story

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Alitalia studies Continental in 3-way alliance

ROME, June 11 (Reuters) - Alitalia is examining how to bring U.S. partner airline Continental into its three-way accord with KLM and Northwest, Managing Director Domenico Cempella said on Friday.

"We are studying how to introduce Continental, with whom Alitalia has a code-sharing agreement, into this three-way alliance and transform it into an even more ambitious accord," Cempella told a shareholders' meeting.

The Italian flag carrier in May joined a joint venture between KLM and Northwest. In March, Cempella expressed willingness to extend the alliance to include a fourth party and mentioned Continental.

The Alitalia/KLM/Northwest venture has still to get the green light from U.S. antitrust authorities but Cempella said he hoped to receive clearance in coming months



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I hereby **certify** that I have on this day served a copy of the foregoing document upon all persons **named** on the attached service list by causing copies thereof, postage prepaid, to be mailed to each of them.

Richard J. Fahy, Jr.

June 14, 1999

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